

Testimony of Toni M. Fatone, Executive VP, The CT Association of Healthcare Facilities

February 18, 2009

Good evening Sen. Harp, Rep. Geragosian and members of the Appropriations Committee. I am Toni M. Fatone, the Executive VP of the CT Association of HC Facilities. As we sit here this evening the financial condition of our states nursing homes is grim!

5 facilities are currently in bankruptcy and 10 are being run by the State under the receivership program with little likelihood of finding a buyer. With this record number of facilities in receivership the State of CT is now the 5th largest provider in CT! Since the first of this year three (3) nursing homes have closed or announced they will be closing very soon. That is an historic record of closures in such a short time frame. A sickening record when you know the heartbreak and devastating toll it takes on the residents in those facilities when they are forced out of their home because their nursing home is no longer financially viable and closes.

Nursing Homes received a zero increase this fiscal year at a time of record increases in expenses. These closures are a direct result of inadequate funding. And the more poor people you care for the more at risk you are of being forced to close!

The Governor's budget zero funds nursing home care for the next two years and eliminates a statutorily required cost of living increase to rates that we receive once every 4 years so the Medicaid program can try to keep pace with the costs of providing care. The Governor's budget estimates nursing homes have experienced a 9.64% increase in expenses while trying to operate with a zero% increase in rates and expected to deliver top notch care. And she is looking to re-implement a ridiculous budget gimmick that severely impacts a facility's cash flow with the reinstitution of the June half payment where nursing homes only get a half payment in June and the other half in the next fiscal year in the July payment. When your running on zero with sky rocketing costs for heat, food, meds, diapers and electricity receiving every penny you are owed in a timely manner is essential.

If an appropriate amount of funds from the Economic Stimulus Package FMAP money from Washington is not allocated to fund nursing home care this year and next then these closures will start to happen

to your nursing homes in your towns and it won't be 3 a month it will be 3 a week and the facilities with the most Medicaid patients will be the first to go. The Governor added 5 new staff at DSS to oversee and fast track the closures of financially distressed facilities. I guess she is expecting a tidal wave of financially distressed facilities as a result of her budget recommendations-I have to say I couldn't agree with her more!!

It is important to know in this economic climate that nursing homes are not just some budget sapping line item. Nursing Homes are a major employer in most of CT's 169 cities and towns. Yes your nursing home is a little economic engine that could in each of your communities! But it can't run without funding! I have attached to my testimony a study by the Lewin Group that shows our LTC facilities support an estimated \$7.8B or more simply are 3.8% of the states overall economic activity. Nursing Homes collectively employ around 30,000 people statewide, which is 4.3% of the state employment rate. Yes we are asking for funding but we give back so much more to the State's economy. Way more! The nursing home healthcare system in this state is imploding at a record pace and our frail elderly and the thousands of dedicated caregivers are the ones getting hurt.

We stand ready to work with the Appropriations Committee and the Legislature in any way we can to prevent a total meltdown of our nursing home healthcare system in this state. Please set aside some of the Economic Stimulus Package funds for nursing home care.

I thank you for your time.

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Nursing Home Closings This Decade

2009

Griswold Healthcare and Rehabilitation Center GRISWOLD
(pending; 120+ jobs lost)
Sterling Manor EAST HARTFORD (pending; 90+ jobs lost)

2008

Haven Health Center of Waterford WATERFORD (90+ jobs lost)
New Coleman Park BRIDGEPORT (100+ jobs lost)

2007

Darien Health Care Center DARIEN (120+ jobs lost)
Oakcliff WATERBURY (60+ jobs lost)

2006

Mercyknoll WEST HARTFORD (59+ jobs lost)

2005

Hamilton Pavilion NORWICH (160+ jobs lost)

2004

Windsor Hall WINDSOR (165+ jobs lost)
Homestead Health Center STAMFORD (87+ jobs lost)
Atrium Plaza Health Care Center NEW HAVEN (240+ jobs lost)

2003

Victorian Manor MANCHESTER (110+ jobs lost)
Heritage Heights DANBURY (120+ jobs lost)
Pond Point MILFORD (110+ jobs lost)
Thirty-thirty Park Health Center BRIDGEPORT (100+ jobs lost)
Ridgewood SOUTHTON (38+ jobs lost)

2002

La Casa NEW BRITAIN (67+ jobs lost)
Strawberry Hill NORWALK (120+ jobs lost)

2001

Olympus – Waterbury WATERBURY (148+ jobs lost)
Optimum Care Center – Elm City NEW HAVEN (91+ jobs lost)
Lutheran of Middletown MIDDLETOWN (28+ jobs lost)
Mediplex of Greater Hartford BLOOMFIELD (113+ jobs lost)
Greenery of Cheshire CHESHIRE (210+ jobs lost)

Current Nursing Home Bankruptcies/Receiverships

Bankruptcies

Alexandria Manor BLOOMFIELD
Blair Manor ENFIELD
Douglas Manor WINDHAM
Ellis Manor HARTFORD
Village Manor Health Care PLAINFIELD

State Receiverships

Crescent Manor WATERBURY
Haven Health Center of Danielson DANIELSON
Haven Health Center of Norwich NORWICH
Haven Health Center of Windham WILLIMANTIC
Marathon Healthcare Center of New Haven NEW HAVEN
Marathon Healthcare Center of Norwalk NORWALK
Marathon Healthcare Center of Prospect PROSPECT
Marathon Healthcare Center of Torrington TORRINGTON
Marathon Healthcare Center of Waterbury WATERBURY
Marathon Healthcare Center of West Haven WEST HAVEN



American Health Care Association



National Center for Assisted Living

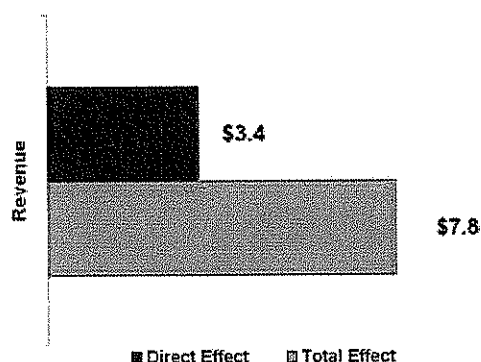
Economic Impact of Long Term Care Facilities

Connecticut

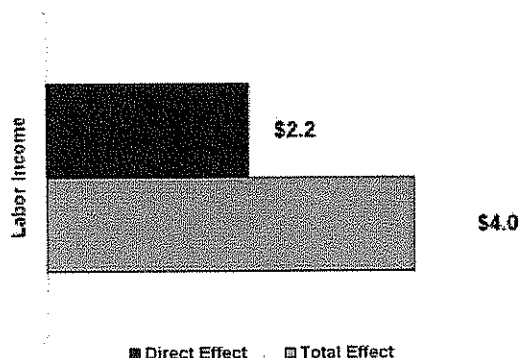
June 2008

Long Term Care (LTC) facilities* support an estimated \$7.8 billion or 3.8% of the state's economic activity

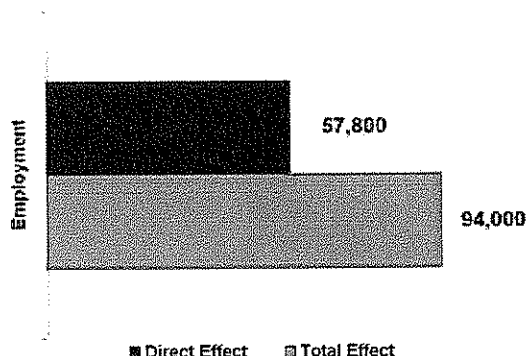
LTC facilities support \$7.8 billion in revenue...



LTC facilities support \$4.0 billion in labor income...



LTC facilities contribute to approximately 94,000 jobs...



*Long Term Care (LTC) facilities include nursing homes, assisted living, and other residential care facilities. These facilities do not include government-owned or hospital-based facilities.

LTC facilities' **direct** economic impact on Connecticut represents...

- 1.6% of economic activity
- 1.7% of labor income
- 2.7% of employment

LTC facilities' **total** economic impact on Connecticut supports...

- 3.8% of economic activity
- 3.0% of labor income
- 4.3% of employment

LTC facilities generate \$1.4 billion in tax revenue...

- \$0.4 billion in state/local taxes
- \$1.0 billion in federal taxes

Demographics of Connecticut

Population (2006)	3.5 million
% Population 65+ years (2006)	13.4%
% Population 85+ years (2006)	2.2%
State economic activity (2006)	\$204.9 billion

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American Health Care Association



National Center for Assisted Living

Economic Impact of Long Term Care Facilities

Connecticut

June 2008

Summary: Economic Impact of LTC Facilities

Estimated Impact	Direct	Indirect	Induced	Total	% of Total State Activity
Output (in billions of dollars)	\$3.4	\$0.8	\$3.6	\$7.8	3.8%
Labor Income (in billions of dollars)	\$2.2	\$0.3	\$1.5	\$4.0	3.0%
Employment (jobs)	57,800	7,200	29,000	94,000	4.3%
Estimated Impact	State/Local	Federal	Total		
Tax (in billions of dollars)	\$0.4	\$1.0	\$1.4		-

LTC facilities support other industries and sectors statewide...

Industry/Sector	Estimated Impact	
	Employment (jobs)	Economic Activity (in millions)
Health and Social Services	62,700	\$3,825.1
Government and Non NAICS	5,300	\$745.7
Manufacturing	1,200	\$481.8
Retail Trade	4,300	\$358.4
Real Estate and Rental	1,900	\$331.7
Professional - Scientific and Tech Services	2,100	\$288.9
Construction	1,700	\$241.6
Finance and Insurance	800	\$238.9
Wholesale Trade	1,000	\$231.7
All other industries	13,100	\$1,038.9
Total	94,000	\$7,782.6

NAICS: North American Industry Classification System

Note:

Numbers may not add due to rounding.

Sources:

Economic impact analysis: The Lewin Group analysis using Impact Analysis for Planning (IMPLAN) software, Minnesota IMPLAN Group, Inc, 2006 data
Population data: U.S. Census Bureau, <http://www.census.gov/>

Economic Impact Definitions

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Induced Effect represents the impacts on all local industries caused by the expenditures of new household income generated by the direct and indirect effects of direct final demand changes.

Total Impact is the sum of the direct, indirect and induced effects.

Labor Income is the sum of employee compensation and proprietary income.

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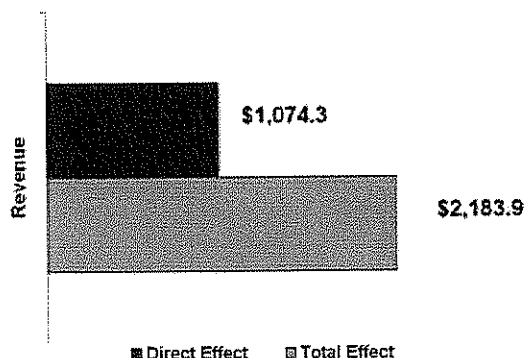
Economic Impact of Long Term Care Facilities

Connecticut - Congressional District 1

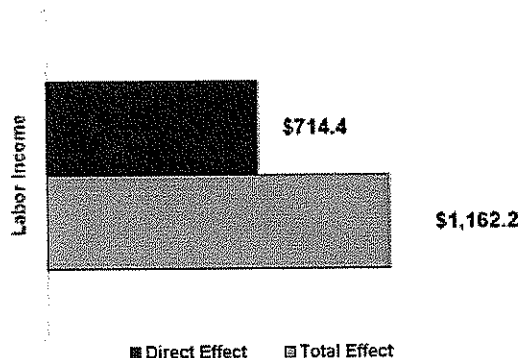
June 2008

Long Term Care (LTC) facilities* support an estimated \$2,183.9 million or 3.9% of the district's economic activity

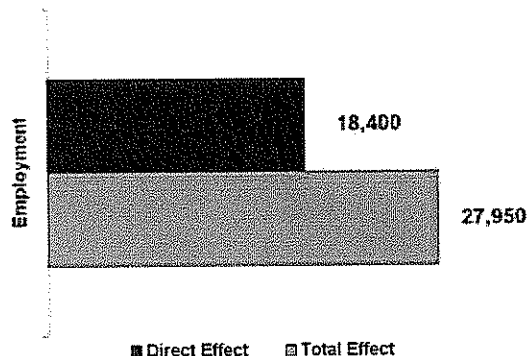
LTC facilities support \$2,183.9 million in revenue...



LTC facilities support \$1,162.2 million in labor income...



LTC facilities contribute to approximately 27,950 jobs...



*Long Term Care (LTC) facilities include nursing homes, assisted living, and other residential care facilities. These facilities do not include government-owned or hospital-based facilities.

LTC facilities' **direct** economic impact on Connecticut - Congressional District 1 represents...

- 1.9% of economic activity
- 2.0% of labor income
- 3.0% of employment

LTC facilities' **total** economic impact on Connecticut - Congressional District 1 supports...

- 3.9% of economic activity
- 3.2% of labor income
- 4.6% of employment

LTC facilities generate \$399.9 million in tax revenue...

- \$109.4 million in state/local taxes
- \$290.5 million in federal taxes

Demographics of Connecticut - Congressional District 1

Population (2006)	708,000
% Population 65+ years (2006)	14.4%
% Population 85+ years (2006)	2.4%
District economic activity (2006)	\$55.7 billion

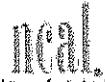
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American Health Care Association



National Center for Assisted Living

Economic Impact of Long Term Care Facilities

Connecticut - Congressional District 1

June 2008

Summary: Economic Impact of LTC Facilities

Estimated Impact	Direct	Indirect	Induced	Total	% of Total District Activity
Output (in millions of dollars)	\$1,074.3	\$246.5	\$863.1	\$2,183.9	3.9%
Labor Income (in millions of dollars)	\$714.4	\$89.5	\$358.3	\$1,162.2	3.2%
Employment (jobs)	18,400	2,250	7,300	27,950	4.6%
Estimated Impact	State/Local	Federal	Total		
Tax (in millions of dollars)	\$109.4	\$290.5	\$399.9	-	

LTC facilities support other industries and sectors districtwide...

Industry/Sector	Estimated Impact	
	Employment (jobs)	Economic Activity (in millions)
Health and Social Services	19,680	\$1,195.8
Government and Non-NAICS	1,380	\$193.2
Manufacturing	290	\$98.4
Real Estate and Rental	530	\$92.7
Retail Trade	1,100	\$88.7
Professional - Scientific and Tech Services	500	\$65.9
Construction	450	\$65.6
Accommodation and Food Services	1,070	\$60.8
Finance and Insurance	230	\$58.9
All other industries	2,700	\$263.8
Total	27,950	\$2,183.9

NAICS: North American Industry Classification System

Note:

Numbers may not add due to rounding.

Sources:

Economic impact analysis: The Lewin Group analysis using Impact Analysis for Planning (IMPLAN) software, Minnesota IMPLAN Group, Inc, 2006 data
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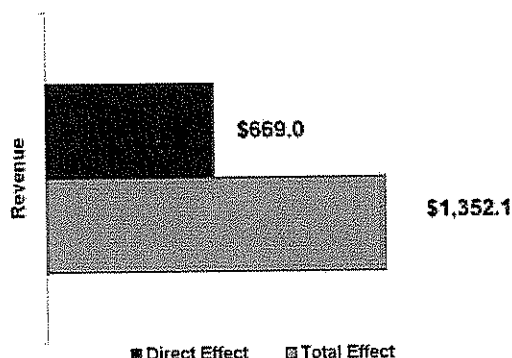
Economic Impact of Long Term Care Facilities

Connecticut - Congressional District 2

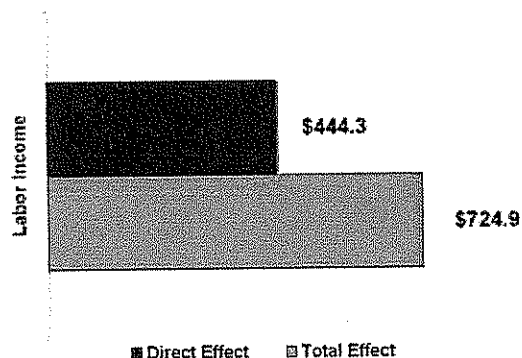
June 2008

Long Term Care (LTC) facilities* support an estimated \$1,352.1 million or 4.6% of the district's economic activity

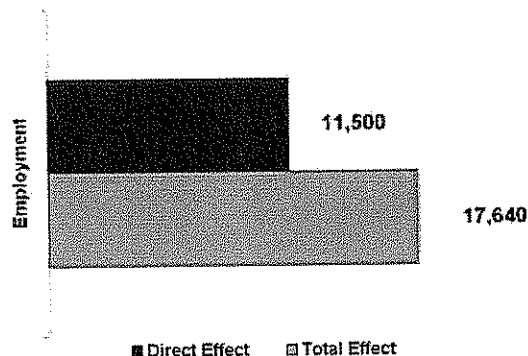
LTC facilities support \$1,352.1 million in revenue...



LTC facilities support \$724.9 million in labor income...



LTC facilities contribute to approximately 17,640 jobs...



*Long Term Care (LTC) facilities include nursing homes, assisted living, and other residential care facilities. These facilities do not include government-owned or hospital-based facilities.

LTC facilities' **direct** economic impact on Connecticut - Congressional District 2 represents...

- 2.3% of economic activity
- 2.3% of labor income
- 3.2% of employment

LTC facilities' **total** economic impact on Connecticut - Congressional District 2 supports...

- 4.6% of economic activity
- 3.8% of labor income
- 4.9% of employment

LTC facilities generate \$220.0 million in tax revenue...

- \$61.5 million in state/local taxes
- \$158.5 million in federal taxes

Demographics of Connecticut - Congressional District 2

Population (2006)	687,000
% Population 65+ years (2006)	12.0%
% Population 85+ years (2006)	1.8%
District economic activity (2006)	\$29.6 billion

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National Center for Assisted Living

Economic Impact of Long Term Care Facilities

Connecticut - Congressional District 2

June 2008

Summary: Economic Impact of LTC Facilities

Estimated Impact	Direct	Indirect	Induced	Total	% of Total District Activity
Output (in millions of dollars)	\$669.0	\$133.1	\$549.9	\$1,352.1	4.6%
Labor Income (in millions of dollars)	\$444.3	\$47.2	\$233.4	\$724.9	3.8%
Employment (jobs)	11,500	1,200	4,940	17,640	4.9%
Estimated Impact	State/Local	Federal	Total		
Tax (in millions of dollars)	\$61.5	\$158.5	\$220.0	-	

LTC facilities support other industries and sectors districtwide...

Industry/Sector	Estimated Impact	
	Employment (jobs)	Economic Activity (in millions)
Health and Social Services	12,310	\$741.2
Government and Non NAICS	1,160	\$149.5
Retail Trade	810	\$64.0
Manufacturing	170	\$60.0
Accommodation and Food Services	750	\$42.3
Real Estate and Rental	250	\$41.3
Finance and Insurance	160	\$40.4
Professional - Scientific and Tech Services	300	\$38.8
Construction	230	\$32.4
All other industries	1,510	\$142.3
Total	17,640	\$1,352.1

NAICS: North American Industry Classification System

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Sources:

Economic impact analysis: The Lewin Group analysis using Impact Analysis for Planning (IMPLAN) software, Minnesota IMPLAN Group, Inc, 2006 data
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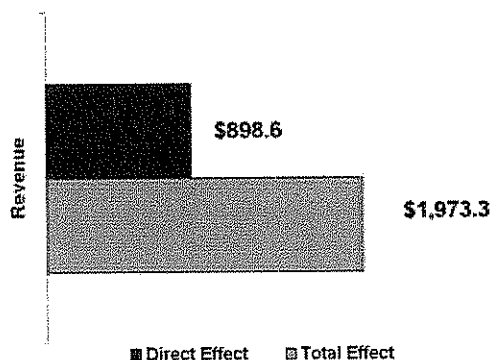
Economic Impact of Long Term Care Facilities

Connecticut - Congressional District 3

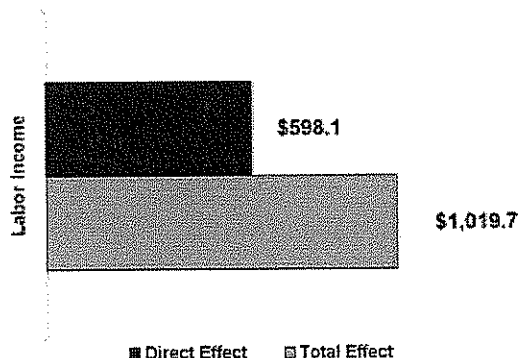
June 2008

Long Term Care (LTC) facilities* support an estimated \$1,973.3 million or 3.9% of the district's economic activity

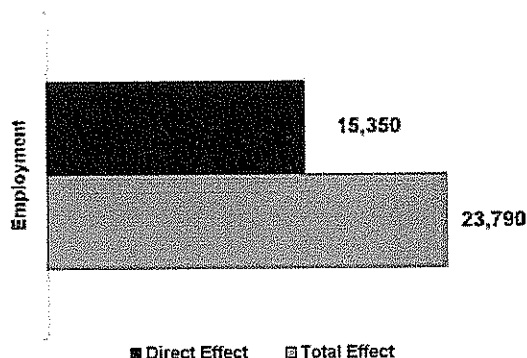
LTC facilities support \$1,973.3 million in revenue...



LTC facilities support \$1,019.7 million in labor income...



LTC facilities contribute to approximately 23,790 jobs...



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LTC facilities' **direct** economic impact on Connecticut - Congressional District 3 represents...

- 1.8% of economic activity
- 1.9% of labor income
- 3.0% of employment

LTC facilities' **total** economic impact on Connecticut - Congressional District 3 supports...

- 3.9% of economic activity
- 3.2% of labor income
- 4.6% of employment

LTC facilities generate \$370.6 million in tax revenue...

- \$103.2 million in state/local taxes
- \$267.4 million in federal taxes

Demographics of Connecticut - Congressional District 3

Population (2006)	700,000
% Population 65+ years (2006)	14.3%
% Population 85+ years (2006)	2.4%
District economic activity (2006)	\$50.0 billion

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National Center for Assisted Living

Economic Impact of Long Term Care Facilities

Connecticut - Congressional District 3

June 2008

Summary: Economic Impact of LTC Facilities

Estimated Impact	Direct	Indirect	Induced	Total	% of Total District Activity
Output (in millions of dollars)	\$898.6	\$213.9	\$860.9	\$1,973.3	3.9%
Labor Income (in millions of dollars)	\$598.1	\$77.5	\$344.0	\$1,019.7	3.2%
Employment (jobs)	15,350	1,820	6,620	23,790	4.6%
Estimated Impact	State/Local	Federal	Total		
Tax (in millions of dollars)	\$103.2	\$267.4	\$370.6	-	

LTC facilities support other industries and sectors districtwide...

Industry/Sector	Estimated Impact	
	Employment (jobs)	Economic Activity (in millions)
Health and Social Services	16,640	\$1,023.7
Government and Non-NAICS	900	\$156.8
Manufacturing	300	\$115.8
Retail Trade	1,030	\$90.5
Real Estate and Rental	500	\$86.5
Professional - Scientific and Tech Services	490	\$68.2
Finance and Insurance	200	\$60.8
Wholesale Trade	230	\$60.7
Construction	400	\$59.3
All other industries	3,100	\$251.1
Total	23,790	\$1,973.3

NAICS: North American Industry Classification System

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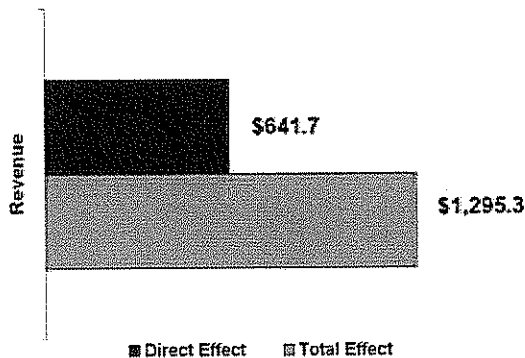
Economic Impact of Long Term Care Facilities

Connecticut - Congressional District 4

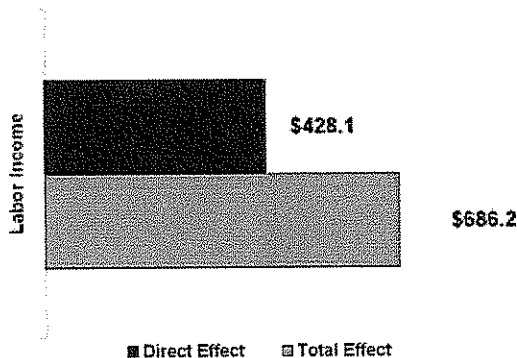
June 2008

Long Term Care (LTC) facilities* support an estimated \$1,295.3 million or 2.1% of the district's economic activity

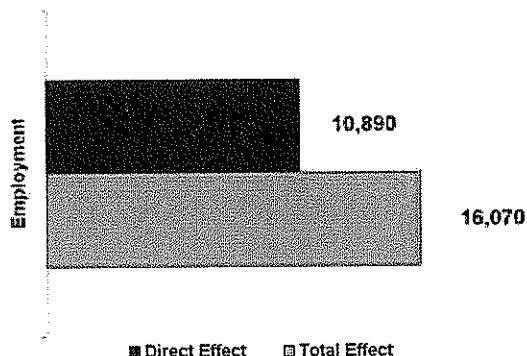
LTC facilities support \$1,295.3 million in revenue...



LTC facilities support \$686.2 million in labor income...



LTC facilities contribute to approximately 16,070 jobs...



*Long Term Care (LTC) facilities include nursing homes, assisted living, and other residential care facilities. These facilities do not include government-owned or hospital-based facilities.

LTC facilities' **direct** economic impact on Connecticut - Congressional District 4 represents...

- 1.1% of economic activity
- 1.0% of labor income
- 1.9% of employment

LTC facilities' **total** economic impact on Connecticut - Congressional District 4 supports...

- 2.1% of economic activity
- 1.7% of labor income
- 2.8% of employment

LTC facilities generate \$231.3 million in tax revenue...

- \$66.8 million in state/local taxes
- \$164.5 million in federal taxes

Demographics of Connecticut - Congressional District 4

Population (2006)	710,000
% Population 65+ years (2006)	13.0%
% Population 85+ years (2006)	2.0%
District economic activity (2006)	\$60.5 billion

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Economic Impact of Long Term Care Facilities

Connecticut - Congressional District 4

June 2008

Summary: Economic Impact of LTC Facilities

Estimated Impact	Direct	Indirect	Induced	Total	% of Total District Activity
Output (in millions of dollars)	\$641.7	\$143.1	\$510.5	\$1,295.3	2.1%
Labor Income (in millions of dollars)	\$428.1	\$52.7	\$205.3	\$686.2	1.7%
Employment (jobs)	10,890	1,220	3,950	16,070	2.8%
Estimated Impact	State/Local	Federal	Total		
Tax (in millions of dollars)	\$66.8	\$164.5	\$231.3	-	

LTC facilities support other industries and sectors districtwide...

Industry/Sector	Estimated Impact	
	Employment (jobs)	Economic Activity (in millions)
Health and Social Services	11,600	\$707.6
Government and Non NAICS	560	\$96.8
Manufacturing	160	\$61.9
Retail Trade	640	\$55.6
Real Estate and Rental	320	\$53.8
Professional - Scientific and Tech Services	300	\$42.5
Finance and Insurance	130	\$41.5
Wholesale Trade	140	\$38.3
Construction	240	\$35.6
All other industries	1,980	\$161.6
Total	16,070	\$1,295.3

NAICS: North American Industry Classification System

Note:

Numbers may not add due to rounding.

Sources:

Economic impact analysis: The Lewin Group analysis using Impact Analysis for Planning (IMPLAN) software, Minnesota IMPLAN Group, Inc, 2006 data
Population data: U.S. Census Bureau, <http://www.census.gov/>

Economic Impact Definitions

Direct Effect represents the impact (e.g., change in employment or revenues) for the expenditures and/or production values specified as direct final demand changes.

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Induced Effect represents the impacts on all local industries caused by the expenditures of new household income generated by the direct and indirect effects of direct final demand changes.

Total Impact is the sum of the direct, indirect and induced effects.

Labor Income is the sum of employee compensation and proprietary income.

Prepared by:

The LEWIN GROUP

an INGENIX company

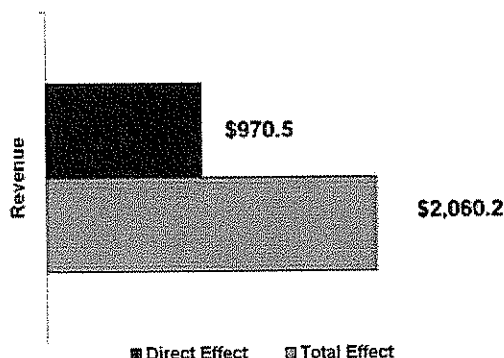
Economic Impact of Long Term Care Facilities

Connecticut - Congressional District 5

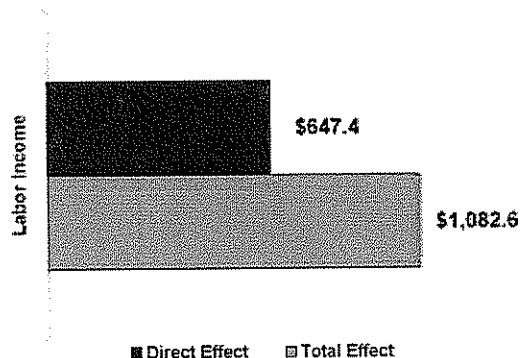
June 2008

Long Term Care (LTC) facilities* support an estimated \$2,060.2 million or 4.5% of the district's economic activity

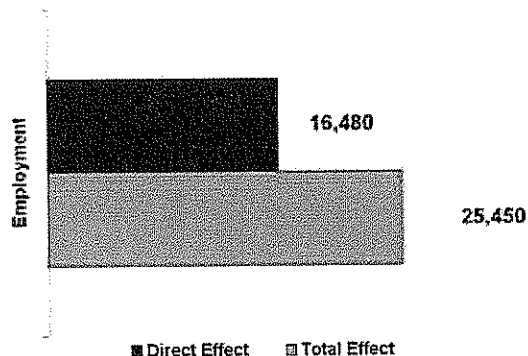
LTC facilities support \$2,060.2 million in revenue...



LTC facilities support \$1,082.6 million in labor income...



LTC facilities contribute to approximately 25,450 jobs...



*Long Term Care (LTC) facilities include nursing homes, assisted living, and other residential care facilities. These facilities do not include government-owned or hospital-based facilities.

LTC facilities' **direct** economic impact on Connecticut - Congressional District 5 represents...

- 2.1% of economic activity
- 2.3% of labor income
- 3.3% of employment

LTC facilities' **total** economic impact on Connecticut - Congressional District 5 supports...

- 4.5% of economic activity
- 3.8% of labor income
- 5.1% of employment

LTC facilities generate \$375.4 million in tax revenue...

- \$103.2 million in state/local taxes
- \$272.2 million in federal taxes

Demographics of Connecticut - Congressional District 5

Population (2006)	700,000
% Population 65+ years (2006)	13.4%
% Population 85+ years (2006)	2-3%
District economic activity (2006)	\$45.6 billion

Prepared by:

The LEWIN GROUP
an INGENIX company



American Health Care Association



National Center for Assisted Living

Economic Impact of Long Term Care Facilities

Connecticut - Congressional District 5

June 2008

Summary: Economic Impact of LTC Facilities

Estimated Impact	Direct	Indirect	Induced	Total	% of Total District Activity
Output (in millions of dollars)	\$970.5	\$211.5	\$878.2	\$2,060.2	4.5%
Labor Income (in millions of dollars)	\$647.4	\$77.1	\$358.2	\$1,082.6	3.8%
Employment (jobs)	16,480	1,860	7,110	25,450	5.1%
Estimated Impact	State/Local	Federal	Total		
Tax (in millions of dollars)	\$103.2	\$272.2	\$375.4	-	

LTC facilities support other industries and sectors districtwide...

Industry/Sector	Estimated Impact	
	Employment (jobs)	Economic Activity (in millions)
Health and Social Services	17,860	\$1,101.9
Government and Non NAICS	1,170	\$184.4
Manufacturing	280	\$103.0
Retail Trade	1,190	\$100.4
Real Estate and Rental	510	\$84.9
Finance and Insurance	210	\$64.2
Professional - Scientific and Tech Services	450	\$61.9
Construction	410	\$60.0
Accommodation and Food Services	950	\$56.3
All other industries	2,420	\$243.2
Total	25,450	\$2,060.2

NAICS: North American Industry Classification System

Note:

Numbers may not add due to rounding.

Sources:

Economic impact analysis: The Lewin Group analysis using Impact Analysis for Planning (IMPLAN) software, Minnesota IMPLAN Group, Inc, 2006 data
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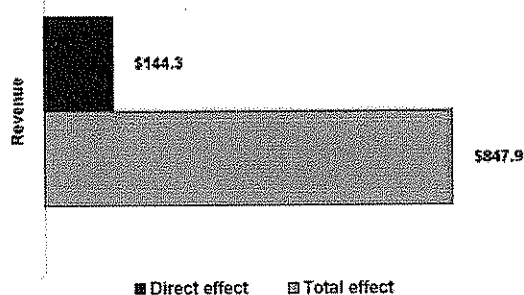
Economic Impact of Long Term Care Facilities

United States

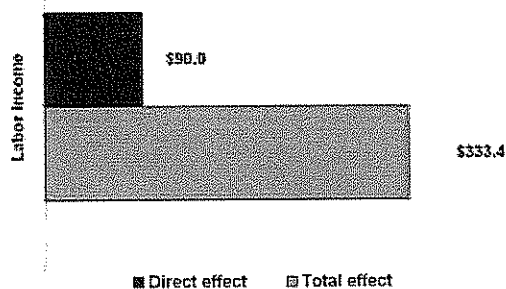
June 2008

Long Term Care (LTC) facilities* support an estimated \$847.9 billion or 6.4% of the U.S.'s economic activity

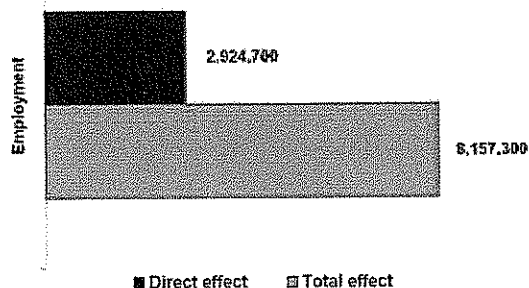
LTC facilities support \$847.9 billion in revenue...



LTC facilities support \$333.4 billion in labor income...



LTC facilities contribute to approximately 8,157,300 jobs...



*Long Term Care (LTC) facilities include nursing homes, assisted living, and other residential care facilities. These facilities do not include government-owned or hospital-based facilities.

LTC facilities' **direct** economic impact on U.S. represents...

- 1.1% of economic activity
- 1.1% of labor income
- 1.7% of employment

LTC facilities' **total** economic impact on U.S. supports...

- 6.4% of economic activity
- 3.9% of labor income
- 4.7% of employment

LTC facilities generate \$120.3 billion in tax revenue...

- \$42.3 billion in state/local taxes
- \$78.1 billion in federal taxes

Demographics of U.S.

Population (2006)	299.4 million
% Population 65+ years (2006)	12.4%
% Population 85+ years (2006)	1.8%
U.S. economic activity (2006)	\$13,194.7 billion

Prepared by:

The LEWIN GROUP
an INGENIX company



American Health Care Association



National Center for Assisted Living

Economic Impact of Long Term Care Facilities

United States

June 2008

Summary: Economic Impact of LTC Facilities

Estimated Impact	Direct	Indirect	Induced	Total	% of Total State Activity
Output (in billions of dollars)	\$144.3	\$86.0	\$617.5	\$847.9	6.4%
Labor Income (in billions of dollars)	\$90.0	\$26.6	\$216.8	\$333.4	3.9%
Employment (jobs)	2,924,700	650,100	4,582,500	8,157,300	4.7%
Estimated Impact	State/Local	Federal	Total		
Tax (in billions of dollars)	\$42.3	\$78.1	\$120.3	-	

LTC facilities support other industries and sectors nationwide...

Industry/Sector	Estimated Impact	
	Employment (jobs)	Economic Activity (in millions)
Health and Social Services	3,429,700	\$ 187,184.7
Manufacturing	357,900	\$ 153,641.3
Government and Non NAICs	628,600	\$ 78,329.2
Finance and Insurance	246,800	\$ 52,441.9
Professional - Scientific and Tech Services	351,000	\$ 47,305.5
Real Estate and Rental	255,900	\$ 47,227.7
Retail Trade	543,300	\$ 37,915.7
Information	106,000	\$ 35,568.2
Construction	276,000	\$ 34,459.3
All other industries	1,962,100	\$ 173,777.3
Total	8,157,300	\$847,850.8

Note:

Numbers may not add due to rounding.

Sources:

Economic impact analysis: The Lewin Group analysis using Impact Analysis for Planning (IMPLAN) software, Minnesota IMPLAN Group, Inc, 2006 data
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Journal Inquirer

State nursing home closings, layoffs predicted

By Keith M. Phaneuf

Journal Inquirer

Friday, February 6, 2009

HARTFORD — The head of the state's largest nursing home association predicts that Gov. M. Jodi Rell's plan to cancel \$330 million for Connecticut homes next year will lead to numerous closings and thousands of layoffs.

Toni M. Fatone, executive vice president of the Connecticut Association of Health Care Facilities, also told the legislature's Human Services Committee that nursing homes make up a key segment of the state's economy, and Rell's plan would damage more than the care provided to approximately 30,000 elderly patients.

"When you are running on zero with skyrocketing costs for heat, food, meds, diapers, and electricity, receiving every penny you are owed in a timely manner is essential," said Fatone, whose association represents more than 100 for-profit nursing homes across the state.

In a \$38.4 billion budget proposal for the next two fiscal years delivered Wednesday to the

General Assembly, Rell proposed no general Medicaid rate increase through 2011 for Connecticut homes, which received no increase in the budget she and lawmakers adopted for the current year.

Besides asking the homes to forgo a funding hike for another two years, Rell also is asking lawmakers to repeal a state law that requires government to provide homes with a cost-of-living rate adjustment at least once every four years. Based on the Consumer Price Index, the Rell administration estimates this would otherwise cost state government \$281.7 million over the coming two fiscal years.

Further complicating matters, the governor's budget calls for the state to make only half of its monthly Medicaid payment in June 2010, the final month of the next fiscal year, and push the rest of the payment into July 2011. That simple accounting maneuver technically will push \$53 million owed to the homes back one full fiscal year, giving the state a one-time savings and giving the nursing homes a cash-flow problem.

Fatone said Thursday it couldn't come at a worse time.

Three nursing homes either have closed or announced plans to close within the last month, including Sterling Manor of East Hartford, which is owned by National Health Care Associates of Lynbrook, N.Y. And Fatone added that five homes are in bankruptcy and 10 more are under state receivership because of financial problems, with little hope of the state finding new private interests willing to assume ownership of these troubled facilities.

"We're going to go from three nursing homes closing a month to three a week," if the Rell plan is enacted, Fatone said after her testimony, predicting that those of the 239 homes that survive under that scenario would shed thousands of jobs.

The nursing home industry receives more than \$1.3 billion a year in Medicaid payments from state government. Roughly two-thirds of its 30,000 patients have most of their care costs paid through Medicaid.

Norwich Bulletin

Don't close Griswold nursing home, petition asks *1,000 signatures collected*

By DEBORAH STRASZHEIM
Norwich Bulletin
Posted Jan 28, 2009
Griswold, Conn. —

For years, Mary Cassidy cared for a husband and wife in the town's only nursing home.

She helped them get out of bed. She dressed them. She fed them.

The man fell ill two years ago and died. Cassidy continued caring for his wife, who stayed at Griswold Healthcare & Rehabilitation Center. The facility had become home.

About two weeks ago, the woman moved. Her daughter cried to Cassidy about it. She didn't want to move her mother, who is in her 90s, but she felt she had no choice.

Genesis Healthcare, the management company, had filed a letter of intent to close the facility. "I haven't slept well since it was announced," Cassidy said.

Since then, Cassidy, her co-workers and people with family at the nursing home have circulated petitions opposing the closure. They've left them everywhere they can think of; restaurants, gas stations, convenience stores, churches. New England Health

Care Employees Union, District 1199, which represents 120 workers at the nursing home, helped.

The petition has more than 1,000 signatures. And signatures keep coming in.

Employees have pleaded their case to three state lawmakers, including state Sen. Donald Williams, D-Brooklyn, the highest ranking legislator in the General Assembly.

They plan to present their petitions to the state Department of Social Services, which holds a public hearing Tuesday to determine whether the center may close.

The group also wants to bring them to Gov. M. Jodi Rell's office.

State Rep. Steve Mikutel, D-Griswold, said the town needs a nursing home and he wants it to stay open.

But he also wants the residents to know they face a difficult fight.

Genesis estimates it would take \$4.8 million to bring the building up to code. Most of the patients are on Medicaid and can't cover these additional costs. If the state tries to force the issue, it may be

asked to foot some of the bill, he said.

"Where are they going to get the \$5 million?" Mikutel said. "It all hangs on the (Department of Social Services)."

Deborah Chernoff, spokesman for the union, said closing Griswold's rehabilitation center would be devastating to the community.

"People who live in the town, they all have their families there," she said. "Yes, it's a question of money. But this is not like moving to a different hospital bed. This is your home, and you're being evicted."

The nursing home

The Griswold facility was built in 1964, with one floor and three resident wings.

Genesis took over its management Sept. 1.

Omega Healthcare Investors Inc. bought the nursing home after the Haven Healthcare bankruptcy case, as part of a package of several homes. Haven filed for bankruptcy in November 2007, amid accusations of poor patient care and mispending millions of dollars.

The nursing home has 76 patients, including First Selectman Philip Anthony's mother, who is in her 80s.

Anthony said there was great hope that when the new owners bought the home in September, they'd spend the money "in good faith" to bring the building up to code.

When they announced the closing, staff called him in tears, shocked and devastated. He plans to attend the hearing next week, and he signed the petition.

Cassidy, of Lisbon, has worked at the facility for almost 26 years. The patients and their children are like family to her. Many of her co-workers are the only income earners in their households and carry the health insurance. Some are single parents, she said.

"It's not like we don't give good care. It's like the company bought us and doesn't want to keep us," she said. "Now we're losing our family members and our jobs."

Most of the employees live in Griswold or surrounding towns, including Norwich, Lisbon, Plainfield, Voluntown.

'Shameful'

What really bothers Chernoff is that the problems in Griswold are not new; the building had code violations before Genesis bought it, but the state failed to enforce its own rules. Now it's threatening to close the building and move the patients, some of whom have already been moved.

Haven of Waterford closed within the last few months because of financial problems. Seven of its patients were moved to Jewett City. Now they have to move again, Chernoff said.

"There really is just a shameful lack of caring on the state's part to allow this to happen over and over again," she said. "This is not the only nursing home that's closed, and this is a direct result of the state of Connecticut's failure to adequately fund nursing home care."

Leo Bordeleau, of Griswold, said his mother, 86, had only been at the nursing home a few days when he learned it would shut down. She broke her hip, so she isn't expected to be a long-term patient. Still, he chose the facility because it was close.

Bordeleau, a member of the town's housing authority, said he believes the company could build something new if it can't fix what it has.

"If they're in the health care business, and they truly believe in the patient's rights, and humanity in general, they would do this," he said.

Jeanne Moore, spokesman for Genesis, said she doesn't believe there is any discussion about building a new facility.

The options

Genesis has said the building needs a new sprinkler system and septic system to meet building codes.

Mikutel said, as far as he can tell, the Department of Social Services has three options.

1. Grant a rate hike in Medicaid reimbursement rates for the patients of the home, so the company can obtain a loan.
2. Take over the home itself, in which case it would still have to make the improvements.
3. Close the facility.

Cassidy said she hasn't figured out what she'll do if the nursing home closes. Genesis has said employees will have at least 60 days notice before their jobs end.

"If you have people out of work, for the community, it's going to have like a domino effect," she said.

She's watching families have to make wrenching decisions about whether to move a parent now, wait until the end or hope the home doesn't close.

She knows some patients have already moved.

"They just say they want to go home," she said.

What's next The Department of Social Services will hold a public hearing at 10 a.m. Wednesday on the request by Genesis Healthcare to close Griswold Healthcare & Rehabilitation Center. The hearing will be in the nursing home at 97 Preston Road.

Difficult questions come with nursing home closing

By DEBORAH STRASZHEIM

Norwich Bulletin

Posted Jan 28, 2009 @ 11:51 PM

Griswold, Conn. — Tuesday's Department of Social Services hearing into a request to close Griswold's only nursing home could tackle some thorny questions.

Can the state force Genesis Healthcare, a private, for-profit business, to keep Griswold Healthcare & Rehabilitation Center open if it's not making money?

Who would ultimately pay to bring the building up to code?

What does the decision really hinge on?

"I hope the hearing is not just a charade," state Rep. Steve Mikutel, D-Griswold, said.

\$4.8 million cost

Genesis, which manages the 90-bed facility, said it would cost \$4.8 million to bring the building up to code. It needs a sprinkler system and new septic system.

About 65 percent of the nursing home's patients are on Medicaid and have no assets. The state is the main source of money for the facility, so if more is needed, the state may be asked to help pay for repairs, Mikutel said.

Jeanne Moore, spokeswoman for Genesis, said the company requested a Medicaid rate hike in December for patients at the Griswold home. It has not heard back, she said.

Deborah Chernoff, spokesman for New England Health Care Employees Union, District 1199, said if the state denies the rate hike, they almost guarantee the building will close. The union represents 120 employees.

If they refuse the hike, "essentially, what they're saying is, we require you to make \$5 million in changes to this building. But we're not going to give you the funds to do it," she said.

Mikutel said he wants the nursing home to stay open. But residents should know they face a tough fight, he said.

"It absolutely comes down to money," he said.

Attorney General Richard Blumenthal said he doesn't know enough about the circumstances to say whether the state could force Genesis to keep the facility open.

"Certainly, we will listen carefully to anyone who believes the home should be continued in operation if we're contacted," he said. "Closing any nursing home is difficult and disruptive for residents and their families."

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Angry residents jam public hearing on Griswold nursing home

By DEBORAH STRASZHEIM
Norwich Bulletin

Posted Feb 03, 2009 @ 02:50 PM

Last update Feb 03, 2009 @ 03:42 PM

Griswold, Conn. — Furious residents, some of them near tears, overwhelmed a public hearing before the state Department of Social Services Tuesday, and argued for more than an hour against closing Griswold's only nursing home.

People jammed the hearing room, foyer and hallways of Griswold Healthcare & Rehabilitation Center, spilling outside even as it snowed. Company representatives tried to remove members of the press. The fire marshal was called toward the end of the meeting.

Genesis Healthcare, which manages the 90-bed facility at 97 Preston Road, sent a letter of intent to the Department of Social Services Jan. 12 seeking permission to close the home. Employees and members of the union representing 120 workers organized a petition drive opposing the closure and collected more than 1,000 signatures.

Patients who spoke Tuesday, many from wheelchairs, were near tears.

"I don't think it's right, what you're doing to us," said Alice D'andria, who has lived at the home seven years.

"We don't like to be tossed out and shoved around and put into places we don't know of," said Ronald Martin, also a patient at the home. He said the center is the only place he has.

"When you take that away from us, what do we have? We've got nothing," he said.

Tom Quinn, regional vice president of operations for Genesis, said it would cost \$4.87 million to bring the building up to code. It needs a sprinkler system, generator and asbestos abatement. The septic system has also failed.

"These renovations and repairs are not affordable," he said. Quinn spoke on behalf of Genesis, which manages the home and Omega Health Care, which owns the property.

Quinn said the nursing home has been operating at a loss of \$100,000 a month and half the patients have already left.

Employees said they're aren't enough beds for the patients elsewhere. They said family members moved their loved ones out of desperation, because they didn't want them to end up far away or in places they didn't like.

One woman said her mother, with all her faculties, was moved two weeks ago, and is now in a locked facility for Alzheimer's patients.

"She's in a lock down unit. They do not listen," said Jeanne Miller. "We have asked her to be moved. They're feeding her things she doesn't like." Her voice broke.

Kimberly Quinn choked on her words. "You cannot shut this place," she began, then had to stop for a moment. Her mother has been here since September and has Alzheimer's. "She's going to get all mixed up and confused again," Quinn said.

Residents angrily testified that the state knew the home didn't have sprinklers for years, but failed to enforce its own rules.

"I don't want to hear that bull," said Ronald Becotte, adding, "These people from the state agencies need to go back into their own pockets before they close this facility."

Rev. Lou Harper, pastor of the First Congregational Church of Griswold, said the state was supposed to correct the problems and failed.

"You messed it up. You fix it," he said.

First Selectman Philip Anthony, whose mother is in the facility, but who spoke for Griswold, said the company hasn't made improvements and the state has been grossly negligent. He said the company had to know the building had problems when it bought it; no intelligent person would believe

otherwise.

Rep. Steve Mikutel, D-Griswold, said the state should develop a financial recovery program, and work with the company to make the needed improvements.

Employees commented that workers had been through the nursing home in the past two weeks, painting and replacing fixtures to spruce it up prior to the public hearing.

Debra Chernoff, spokesman for New England Health Care Employees Union, District 1199, said 13 nursing homes have closed in the last five years. Ten are now in state receivership because of financial issues and a half dozen are in bankruptcy, she said.

Carolyn Orr, a patient, said what's happening hurts.

"It saddens me to see all my friends being taken away like orphans," she said.

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At hearing, state urged to keep nursing home open

By Judy Benson

Published on 2/3/2009

Griswold -- More than 20 speakers at a packed public hearing Tuesday urged the state Department of Social Services to deny the request of the owners of Griswold Healthcare & Rehabilitation Center to close the nursing home, calling for the state to step in and provide the financial assistance to help pay for \$4.8 million worth of required renovations because it had been negligent in its oversight of the home for years.

The hearing, conducted during a snowstorm in a community room at the 90- bed nursing home, overflowed into the hallway with more than 100 people, among them residents in wheelchairs and their relatives, state lawmakers, nurses and other staff. It is Griswold's only nursing home.

"This has been my family for the last seven years, and I think it's wrong that we to have to find another place," said Alice D'Andria, who sat in her wheelchair next to fellow residents in the front row of the hearing room.

"It's very hard to reestablish yourself in another place," said Ronald Martin, another resident. "We are well cared for here, and we love everybody here and everybody loves us. You take that away and we have nothing."

The hearing began with a statement by Thomas Quinn, vice president of operations for Genesis HealthCare, giving the company's reasons for seeking permission to close the facility by March and move the patients to other homes. Genesis manages the nursing home, while TC Healthcare is the operator and licensee and OHI Inc. owns the property. The three companies took over the facility last fall after its previous owner, HavenHealth Care, declared bankruptcy.

Quinn said the nursing home is not generating sufficient revenues for the owners to be able to afford the major renovations required by the state Department of Public Health, including sprinklers, a new septic system, a new generator, roof, asbestos abatement and new patient bathrooms. Expenses exceed revenues by \$100,000 per month, he said.

Rich Wysocki, hearing officer for the social services department, said the department commissioner considers a decision on the closure a priority, but could not say exactly when it would be made.

The Day

State Hears Pleas: Don't Close Our Nursing Home

Griswold facility requires costly repairs; opponents say state's been negligent

By Judy Benson
Published on 2/4/2009

Griswold - Wheelchair-bound residents and their relatives, nurses and other staff and at least three elected officials packed a public hearing at Griswold Healthcare & Rehabilitation Center Tuesday to tell the state Department of Social Services not to let the nursing home close.

First Selectman Philip Anthony Jr. was among those saying the state has an obligation to help finance the \$4.8 million in needed renovations because it had been "grossly negligent" in its oversight, inspecting the home annually but allowing the repairs to go undone for years under two previous owners.

Anthony visits his mother daily at the home. Residents and their families who spoke said that while the home may not be the fanciest or most modern, it has a homey atmosphere and caring staff that cannot be duplicated. Several became tearful.

"This facility has been my family for the last seven years, and it's hard when you're old to see changes. I think it's wrong for me to have to find another place," said Alice D'Andria, who shared the front row of the hearing

room with fellow residents in wheelchairs. She was the second of about 20 speakers arguing against the closure.

Ronald Martin, sitting two wheelchairs away, said: "We don't like to be tossed out and shoved around. We are cared for here. We love everybody here and everybody loves us. You take that away and what have we got? Nothing."

Like other residents, their relatives and staff, he wore a "We Need An Extreme Makeover" sticker from the union representing workers, the phrase a reference to the reality television home-building show's project in neighboring Voluntown late last year. The union also gave patients and others at the hearing fliers describing their effort to protect the home from closure by meeting with state lawmakers at the Capitol twice last month.

Deborah Chernoff, communications director for the New England Health Care Employees Union District 1199, said 13 nursing homes have closed in the state in the last five years and 1,400 nursing home beds have been lost. The most vulnerable nursing homes are those with the highest percentage of Medicaid and

Medicare patients, because the reimbursements are too low to pay for the cost of care, she said. About 88 percent of the Griswold home's residents are covered by Medicare or Medicaid.

"This is not health care planning," she said. "It's survival of the financially fittest with residents, workers and towns left to suffer the fallout. In the long term, closure is bad public policy" that does not account for predicted future needs for long-term care.

About 100 people turned out during a snowstorm for the hearing, overflowing into the hallway and straining to hear the speakers in the community room. Nursing home and social service department administrators barred a Day photographer and television camera crews from entering the public hearing, citing privacy laws for patients. The Day has filed a Freedom of Information complaint over the matter.

The public hearing is required whenever the social services department considers a request from a nursing home operator to close a facility. Hearing Officer Rich Wysocki said Social Services Commissioner Michael Starkowski considers making a decision on the closure request a priority, but could not say when a

decision would be made.

Genesis HealthCare, manager of the nursing home, along with operator and licensee TC Healthcare and property owner OHI Inc., are seeking to close the nursing home by March. They submitted a formal request on Jan. 12. Open since 1969, it is the town's only nursing home, and has strong ties to the community, several of the speakers said, recalling now-deceased grandparents and other relatives who spent the last days of their lives there.

"This facility is part of the town of Griswold. We can't replace it," said William Cymr, president of Griswold ambulance, recalling the care his grandmother once received there. "It's going to have an impact on the whole town."

That impact would extend to the 130 employees forced to look for other work, to the ambulance operations, which depend on the income from visiting the home three times a week, to the patients forced to transfer, he said.

Mary Jane Joyce, a nurse at the home for seven years, said the problems with the building have been well-known for many years and repairs have been neglected.

"If our government can bail out carmakers and banks and Wall Street, I think our state can bail out our elderly," she said.

Tom Quinn, vice president of operations for Genesis, made the only remarks in favor of the closure. Since taking over the nursing home in the fall, he said,

his company has concluded that it would have to spend \$4.88 million to make required repairs, and that the 90-bed home is not generating sufficient revenues to support that. The state Department of Public Health is requiring the home be upgraded with a sprinkler system, new septic system, new nurse call system, asbestos abatement, a new generator, handicapped accessibility improvements and other repairs. The home also needs to be expanded so that each patient room has its own bathroom. Currently residents use hallway bathrooms.

Monthly expenses exceed revenues by \$100,000, he said. The current owners and operators took over the home this fall after its previous owners, Haven HealthCare, declared bankruptcy. No offers to buy the facility have been received. Another former Haven home, Haven Health Center of Waterford, closed in December, and about a half-dozen patients who moved to the Griswold home from there now face the possibility of a second move.

"We deeply regret the need to close Griswold but truly believe that there is no feasible alternative," Quinn said.

Since the company announced its plan, about 40 patients have already moved to other nursing homes or back home with home-health services, and 47 remain. Quinn said a survey last week showed there are 107 available nursing home beds within 15 miles of the Griswold facility.

Jenne Miller of Sprague said her mother was one of several

patients who moved from the Griswold home last month to one in Uncasville. At the other home, she said, she and the others were inappropriately placed in a lockdown unit for patients with mental illness.

"She doesn't need to be there, but they don't listen," she said. "I'd love to see my mother come back here."

State Rep. Steven Mikutel, D-Griswold, and state Sen. Andrew Maynard, D-Stonington, also urged that the home stay open. Maynard said he feared the hearing was coming too late.

"It's almost like Kabuki theater," he said. "We're here to go through the motions but the decision has already been made. These are people's lives, and this isn't a process that serves our citizens well."



Nursing home closures protested

Griswold employees among those in danger

By Judy Benson
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Hartford - About 60 nursing home workers, including 10 from Griswold Healthcare & Rehabilitation Center, rallied outside the offices of the state Department of Social Services Wednesday to protest nursing home closures, job losses and levels of state funding for nursing homes.

The protest, organized by the New England Health Care Employees Union District 1199, was intended to draw attention to the recent closures of nursing homes, including Haven Health Center of Waterford and the threatened closures of the Griswold home and Sterling Manor in East Hartford. The social services department is considering requests from the owners to close the two homes.

The Griswold home, the only one in that town, employs about 130 people, and its closure would have a major impact on many families and businesses there, said union spokeswoman Deborah Chernoff.

"These are the first of many such closures that will happen under this budget," said Chernoff, referring to Gov. M. Jodi Rell's proposed budget for fiscal 2009-11. "The fallout is going to be on the residents and the workers."

Without an increase in Medicaid reimbursement, she said, many more vulnerable nursing homes around the state could close. Most of these homes are in cities and low-income communities where the majority of residents are Medicaid recipients. Under Rell's budget plan, Chernoff said, scheduled increases in Medicaid reimbursement rates would not take place this year, worsening the financial stability of nursing homes already struggling with rising costs for utilities, food, workers' health care and other expenses.

David Dearborn, spokesman for the social services department, said nursing homes would get the same level of funding as this year in Rell's budget proposal. Many other state programs are facing deep cuts due to the budget deficit, he said.

In Rell's budget, he said, "taxpayers will continue paying about \$1.3 billion annually for nursing home care for our 18,000 elders and citizens with disabilities receiving Medicaid."

In the last eight years, according to Dearborn, the number of nursing home beds in the state has decreased from 31,545 to 29,315. He added that the nursing homes are privately owned, for-profit or nonprofit operations. The main reason for the closures, he said, is not inadequate Medicaid rates, but less demand.

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